

**Check against delivery**

**Address by  
The Deputy Director-General in the Department of Labour  
(Republic of South Africa)  
Mr. Les Kettleidas  
at the forty-fifth session of the Commission for Social Development  
7 February 2007**

**Theme:  
“Promoting full, productive employment and decent work for all”**

Chairperson,  
Under Secretary General for Economic and Social Affairs,  
Excellencies and Distinguished Delegations,  
Ladies and Gentlemen:

Chairperson, allow me first to express my sincere congratulations to you on your election to the 45<sup>th</sup> Session of the Commission for Social Development. It is an honour for our delegation to be part of your deliberations in this important 45<sup>th</sup> session of the Commission for Social Development. The theme to be discussed in this session is one of the subjects close to our hearts - full, productive employment and decent work. The Commission is meeting immediately after the substantive session of the Economic and Social Council (ECOSOC) in July 2006 where Ministers and Heads of delegations adopted a declaration of the high-level segment.

During the substantive session, there was a general acknowledgement that the world is facing various decent work “**deficits**”. These deficits are characterised by high and exploding numbers of unemployment and underemployment, poor quality and unproductive jobs, unsafe work and insecure income, rights that are denied, and gender inequality. Migrant workers are exposed to exploitation, lack of representation, and inadequate protection. Economic growth is failing to translate into new and better jobs that would lead to a reduction in poverty. This acknowledgement of decent work “deficits” guided the deliberations during the July 2006 session.

In the declaration it was recognised that full and productive employment and decent work for all, which encompass social protection, fundamental principles and rights at work, and social dialogue - are key elements of sustainable development for all countries, and therefore a priority objective for international co-operation.

That session also requested the Secretary-General to include, in his annual report on the follow-up to the outcomes of major United Nations conferences and summits, a review of the progress achieved in creating an environment at the national and international levels conducive to generating full and productive employment and decent work for all, and its impact on sustainable development, at both the policy and the operational levels.

The 2004 Ouagadougou Extraordinary Summit observed that employment plays a critical role in the full realization of individuals and societies. Whilst employment can further social integration and society's cohesion, it can also lead to exclusion by limiting access to jobs, by the provision of income too low to satisfy basic human and social needs, thus fomenting submission and marginalization. These are individuals who become rich in poverty. Many of our people fall in this category, which the Director-General of the ILO, Juan Somavia, has referred to in the ILO Report, "Working out of Poverty". In this report, the ILO Director – General correctly points out that, for these fellow Africans, ***"poverty is a nightmare. It is a vicious circle of poor health, reduced working capacity, low productivity and shortened life expectancy. For (their) families, poverty is a trap. It leads to inadequate schooling, low skills, insecure income, early parenthood, ill health and early death. For (their) societies, poverty is a curse."***

The South African economy, like other economies in the developing world, has been going through a process of structural change. The last few decades has seen the GDP share of agriculture and mining - the primary sector - decline compared to the increasing share of services - the tertiary sector. Not surprisingly, employment in mining and agriculture has declined significantly. In manufacturing the fall was less rapid, whilst the share of employment in services has actually increased.

We have seen that growth averaged about 3% during the first decade of freedom, a considerable improvement on the decade before 1994 when growth averaged 1% per year. Since 2004, our growth has exceeded 4% per year, and reaching about 5% in 2005. During the same period, the economy has been creating employment. The economy, in the aggregate, has been creating jobs rather than shedding them. The challenge we are faced with is that the employment growth is not keeping pace with the growth in the labour force.

Related to this employment growth challenge, studies have shown us that most of the jobs that are created are of a casual nature and short-term. There is a decline in standard employment and a significant increase in precarious forms of employment that offer low wages, poor working conditions and less social protection. All these challenges and the lack of demand are impeding the entry of the unemployed in the labour market.

We also have serious challenges on the supply-side of the economy in terms of skills development. We have seen the growth in the number of graduates coming out of our universities and technikons every year with no work experience and some with skills that are not responsive to the needs of the economy. The majority of these graduates have joined the ranks of the unemployed and exacerbated the unemployment and underemployment challenge.

Related to these challenges, we are experiencing a growth of migration of people from our neighbouring countries into South Africa. Some of these migrants are economic refugees with the necessary skills that could acquire them jobs. The government has put in place mechanisms to balance these challenges, which still have to be overcome. At the core of the mechanisms we have put in place is to ensure that we work closely as member states, through the African Union, so that the need for our people to leave their countries of origin in search of prosperity elsewhere is addressed.

All these challenges of demand, supply and migration have ensured that the challenge of unemployment in South Africa remains. Thus, like other countries around the globe, we are faced with a dual challenge of creating new productive jobs and at the same time improving the existing ones. These trends and challenges are making the realisation and promotion of full employment and decent work difficult.

South Africa like other countries in the developing world has explored and implemented various measures in an attempt to alleviate poverty, promote full and productive employment and the realisation of decent work. Our interventions have been guided by the Millennium Development Goals (MDGs) of halving poverty and unemployment by 2015. The South African Government and its social partners – organised business, organised labour and organisations of community and development interests agree that the present rates of increase in employment are not enough and will have to be doubled if not tripled, and this would require major efforts to improve productivity, earnings and working conditions.

On **DECENT WORK**, Chairperson, what do we really mean by **DECENT WORK**? Is Decent Work achievable in an era of globalisation characterised by liberalisation of economies and labour market flexibility and deregulation? These are the pertinent questions we need to confront not only in this Commission but should be part of our daily interactions in our workplaces and structures. Workers need to be empowered to understand these issues and be in a position to defend decent work.

As a member state of the International Labour Organisation (ILO) we are very keen on and strongly advocated for the decent work agenda. The Decent Work Agenda's core message was clearly captured in the Freedom Charter adopted in 1955. In the Freedom Charter there is the commitment to ensure that **"THERE SHALL BE WORK AND SECURITY"** for all our people regardless of race, creed and gender.

For us, decent work opportunities go hand in hand with productivity growth. As the ILO does, we believe that productivity growth is the engine of economic growth that enables working men and women to earn enough to lift themselves out of poverty.

The Director-General of the International Labour Organisation (ILO), Juan Somavia is very passionate about the concept of "decent work" and in his inaugural address to the 13<sup>th</sup> Asian Regional Conference in August 2001 he argued that (I quote):

*"Decent work is about your job and future prospects, about your working conditions; about balancing work and family life, putting your kids through school or getting them out of child labour. It is about gender equality, equal recognition, and enabling women to make choices and take control of their lives. It is about your personal abilities to compete in the market place, keep up with new technological skills and remain healthy. It is about developing your entrepreneurial skills, about receiving a fair share of the wealth that you have helped to create and not being discriminated against; it is about having a voice in your workplace and your community".*

Decent work, as advocated by the ILO, is the basic demand of all working people. It is a loud and clear call for decent work, homes, food, education, social protection and adequate income, coupled with respect for union rights, social dialogue and democratic participation.

The Decent Work Agenda is guided by four important strategic objectives, that is, rights at work; employment; social protection and social dialogue. The attainment of these strategic objectives will result in a more balanced and sustainable growth for our countries and betterment of the lives of our people. The decent work agenda is a development agenda for social justice.

Decent Work enhances people's lives both as individuals and within society, and the creation of decent work restores their income as a precondition for the establishment of a socially-just, open and sustainable economy. Our labour legislation since 1994 encompassed all the objectives outlined in the decent work agenda. The successful review of the South African labour laws led to the introduction of amendments to the Labour Relations Act (LRA), and the Basic Conditions of Employment Act (BCEA). This made our laws more sensitive to job creation and to address unintended consequences of the earlier legislation.

During the period 1999-2004, we have vastly improved the position of workers in our country. The implementation of the key legislative framework, such as the LRA, BCEA and skills development acts and other key legislation, has ensured that all workers are now covered by adequate legislation, that tries to balance security in the workplace (and in employment) with flexibility, to ensure that the overall performance of the economy in terms of job creation and investment is not negatively affected.

Sectoral determinations were introduced in order to improve the position of vulnerable workers. These determinations cover workers in the private security sector, domestic workers, farm workers, and workers in the wholesale and retail sectors. A National Programme of Action (PoA) is also being developed to address the critical challenges of child labour. We have also promulgated Codes of Good Practices and technical assistance guidelines for the employment of people with disabilities and managing key aspects of HIV and Aids in the workplace.

We have not only introduced new legislation and institutions that protect worker's rights and seek to empower them with skills, but we have continued to ensure that social dialogue is entrenched and that a true consensus is built around key interventions in the labour market with all the social partners.

On Employment, Chairperson, in October 1998 a Presidential Jobs Summit Agreement (PJSA) was launched to address the socio-economic challenges facing our country. The PJSA was a shift from certain ways of doing things and was a commitment by all the social partners to addressing poverty and unemployment challenges facing our country. The constituencies in the National Economic Development and Labour Council (NEDLAC) engaged intensely and resolved to act in concert to create jobs, stable and fair industrial relations, respect for worker rights, and sustainable growth and development. We entered this process knowing very well that the road to creating jobs and fighting poverty will not be paved with false

promises, but with the determination of our vision and the sweat of our collective endeavour. At the heart of this process was growing the economy to create much-needed jobs, sustain employment, alleviate poverty and reduce inequalities. The lessons we have learnt from this process have further spurred us on towards a shared and common vision in addressing the development challenges facing us.

As a follow-up on the achievements and challenges faced by the PJSA, the Honourable President Thabo Mbeki together with our social partners launched the Growth and Development Summit Agreement in June 2003. Amongst the key objectives was addressing urgent challenges and selecting from many possible interventions those which hold the promise of the greatest possible impact in the shortest possible time for accelerated investment, job creation, improved efficiency and productivity, greater social equity, and a fairer distribution of economic opportunities and rewards, while undertaking serious social dialogue on broad policy frameworks. Also, securing the commitment and active participation of all constituencies in those areas identified for prioritised action in ways that build on lessons learnt from other development programmes.

In the GDSA we identified and committed to addressing the following four key themes through partnerships:

- Addressing the investment challenge;
- More jobs, better jobs and decent work for all;
- Advancing equity, developing skills, creating economic opportunities for all and extending services;
- Local action and implementation.

For the past three years we have seen some progress in the implementation and achievements of the GDSA, especially in the areas of skills development and the expanded public works programme.

The Government also launched the National Skills Development Strategy (NSDS) to assist in addressing the supply-side of the economy. The NSDS is one attempt by Government to radically transform education and training in the country by improving both the quality and quantity of training to support increased competitiveness of industry and improved quality of life for all our people. Through the learnership programme initiated under the NSDS many young men and women have been trained and some of them have been placed.

Whilst these interventions could be applauded and the situation has improved, they have not been making a drastic impact on poverty and unemployment. We have acknowledged that these interventions are not adequate and the Government has already taken this important point into consideration by launching the Accelerated and Shared Growth Initiative for South Africa (ASGI-SA).

Chairperson, through the proposed interventions in ASGI-SA, our core objective is to halve poverty and unemployment by 2014. We strongly believe that this is both possible and feasible due to the steady improvement in the performance and job creating capacity of the economy.

Also, ASGI-SA has identified the binding constraints that impede on our ability to reach these desired goals. Some of them are identified in the Secretary-Generals' report and they include amongst others the shortage of suitable skilled labour, lack of ICT infrastructure and barriers to entry and limited investments. Our interventions specifically address these binding constraints and these instil a sense of confidence that we are on the right course.

The National Skills Development Strategy has been given further impetus and support by ASGI-SA through the launch of the Joint Initiative for Priority Skills Acquisition (JIPSA). The job of JIPSA is to identify urgent skills needs and quick and effective solutions. It is our firm belief that these interventions will assist us in meeting the challenges of ICT and opening of markets.

The World Commission on the Social Dimension of Globalization has in **“A Fair Globalization”** report acknowledged the negative social impact of globalization in many aspects including employment.

Globalisation and its emphasis on labour market deregulation and flexibility will result in a “decent work deficit” which is characterised by:

- High rates of unemployment and poverty;
- Abuse of rights at work;
- Forced and child labour,
- Discrimination;
- Lack of basic income security;
- Workers and employers are either not organized to make their voice heard, or face obstacles to effective dialogue;
- Life at work cannot be properly balanced with the claims of the family.

For us as reflected in ASGI-SA, ILO documents, ECOSOC and the Ouagadougou Declarations, the realisation of full employment and decent work would require a closer relationship between the social and economic policies. The macroeconomic frameworks should address both the economic and social objectives. This would require a rethink of the macroeconomic stabilisation targets so that we create “fiscal space” to finance development, foster investment and employment growth. For us – full employment and decent work should be given a more prominent role in macroeconomic policy development and not be treated as peripheral or residual issues. Several responses are required to address these challenges and the macroeconomic policies should be seen as one of several elements fundamental for the achievement of full employment and decent work. The World Commission on the Social Dimension of Globalisation observed and made the same acknowledgement that macroeconomic policies must take into consideration not only financial targets but also their social impact.

What does this mean for our governments and countries? It means rethinking and refocusing our macroeconomic policies to ensure that they recognise employment creation as one of their core objectives and sets targets for employment creation. The social and economic objectives should complement each other and not be seen as opposing poles. This does not call for a new commitment from the Member States. During the Geneva Special Session of the General Assembly in 2000, a commitment was made to “ensure that macroeconomic policies reflect and fully integrate, inter alia, employment growth and poverty reduction goals”. It was also recognised in the

same meeting that this would require countries to “reassess, as appropriate, their macroeconomic policies with the aims of greater employment generation and reduction in poverty levels while striving for and maintaining low inflation rates”. We have not done well since these commitments – the challenges still remain daunting and would require all of us to recommit to this vital commitment in the history of the United Nations.

We also believe that the labour market policy framework should, in support of the macroeconomic framework, be able to facilitate the matching of supply and demand of labour, in the face of the changing market trends and work restructuring.

Lastly, we do not wish to overemphasise the importance of full employment and decent work for all our people. We are encouraged as part of the developing world that the issues of employment and decent work are now being taken seriously by other institutions like the UN and beyond the ILO. There are many of the other multilateral institutions that would still need some convincing in this direction and we need to explore how we could bring them on board.

I wish you a very successful meeting.

Thank you.